

Comparative economic systems

Government



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Governments have built up and founded on many different ideas, systems, and “ what’s right and wrong. ” Each country directs certain ideas on what’s right, and what works for them, some can be very successful, but at the same time all have flaws. In this comparative paper the differences and similarities of capitalism, socialism, and communism are going to be addressed. In the end I will form my personal opinion of which I prefer. In a communist world everyone would have food, shelter, and no one would be above another. In this perfect utopia society all would have a fair chance.

This was the belief of a man named Vladimir Lenin. In 1917 Lenin over threw the government of Russia, in it’s place he set up a communist government. Communist deals with a Five-Year Plan which is a comprehensive centralized economic plan designed to achieve rapid industrialization. Communist also deals with a government in which the state plans and controls the economy and a single, often authoriatain party holds power, claiming to make progress toward a higher social order in which all goods are equally shared by the people.

In a capitalism world, its capital-intensive economies, which are required large amounts of assets to finance a given amount of sales. One issue capitalism has is transparency which is the need to make business dealing with more visible to everyone especially government regulators. Most large Japanese firms that are capitalist, belong to Keiretsu. This is a tightly knit group of firms governed by an external board of directors from potential competitors. In Japan spending on infrastructure which had the results of taxes being low allowing people to save their money or spend it on consumer goods.

Part of the reason for poor economic performance was because of a banking crisis in the 1990's, when Japan was growing, land values soured, and many used their land as collateral. In a socialism world its government owns and runs some of the basic productive resources in order to distribute output in ways deemed to be in the best interest of society. Most socialist societies are democracies in which elected officials direct the allocation of resources in key industries.

Some similarities between the three are that socialism and communism are supposed to apply by all power being shared by everyone ideally getting out what they put in proportionally, but communism and capitalism are the exact opposites. Some differences between the three would be that capitalism is the ownership and control of the means of production. Also have freedom which gives consumers the opportunity to purchase the goods and services that best satisfy their preferences; while in a communism society all individual freedom is lost, making socialism less efficient than communism.

Something that drew up project, embraced trade, industry, agriculture, education, and public health was the Gosplan. Gosplan is the official planning organization. Something capitalism used was state farm; which provides coverage for automobiles, homes, businesses, and individuals. An economic policy that adapted in the former Soviet Union was perestroika, is what communist called it; it's the fundamental restructuring of the economy and government.

Under the restructuring, five-year plans were retained, but the various ministries of production were to be converted to efficient, state owned enterprises that would complete in a market economy. A well know

communist was Karl Heinrich Marx. He was a German philosopher, political economist, historian, political theorist, sociologist, and revolutionary. Marx also argued that capitalism would inevitably produce internal tensions, which would lead to destruction. By 1927 many changes had taken place such as Russia becoming the Soviet Union and the country being under the communist party control.

When Lenin had died, Joseph Stalin had become the new leader. Stalin wanted to transform the Soviet economy from agriculture to industry. To accomplish his goal he introduced the government's first five-year plan. Under Stalin's leadership, the process of collectivization (the forced common ownership of agricultural, industrial, and trading enterprises) began. Until 1953 the union of Stalin's raft had been extremely rocky. Then came along a guy named Mikhail Gorbachev, who had joined the communist party; becoming the secretary of his law department's young communist league.

He soon elevated his position to that of regional secretary and was elected delegate to the party of congress in 1961. A few things that were used were: privatization, solidarity, and the black market. Privatization means to transfer government services or assets to the private sector. Solidarity means a union of interests, purposes, or sympathies among members of a group. The Black Market is an illegal business or selling goods or currency in violation of restriction such as price controls or rationing. My opinion on which I best prefer would be a socialist economy.